

Mozambique

Population: **29 million**
GDP Growth: **3.8%**
GDP/Cap (PPP): **\$1,190**
Ease of Doing Business: **138**

"It is the intention of the Executive to is to make electricity the engine of economic development and industrialization."

– Filipe Nyusi, President of the Republic of Mozambique

ENERGY SECTOR OVERVIEW

At 187 gigawatts, Mozambique has the largest power generation potential in Southern Africa from untapped coal, hydro, gas, wind and solar resources. Hydropower currently accounts about 81% of installed capacity. However, natural gas and renewable energy sources occupy a growing share of Mozambique's energy mix. Despite the outsized potential, only 29% of the population has access to electricity, due to limited transmission and distribution networks and unfavorable market conditions for new generation. The industrial and commercial segments are expected to drive demand growth, as residential consumers struggle with the existing highly subsidized tariffs.



GENERATION CAPACITY

Installed Capacity: 2,687 MW

- Hydroelectric: 503 MW
- Thermal: 2,184 MW

Power Africa New MW to Date

- Reached Financial Close: 40 MW

Power Africa 2030 pipeline: 2,087 MW



CONNECTIONS

Current Access Rate: 29%

- Rural: 15% Urban: 57%

Households without Power: 4.1 million

- Target: Universal Access by 2030

PA New Off-Grid Connections: 900

INVESTMENT AND ENABLING ENVIRONMENT

Biggest Issues and Bottlenecks

1. Public Finances/Macro-economic issues
2. Lack of credit-worthy utility and cost-reflective tariff
3. Lack of strong, transparent regulator

Power Africa Interventions

1. Loss reduction with utilities
2. Support to the new national regulator
3. Transaction-specific support



POWER AFRICA'S ENGAGEMENT IN MOZAMBIQUE

MW GENERATION

Power Africa is supporting the pre-project development of the Kukila Power Project through a U.S. Trade and Development Agency (USTDA) grant for a feasibility study to assess technical, financial and economic aspects of the 78 MW mobile gas-fired power plant, including associated transmission lines and a gas pipeline spur, in the Chokwé District of Gaza Province. Kukila Investments, a Mozambican independent power producer, is the grantee and the study will be carried out by U.S.-based Delphos International.

CONNECTIONS

The national utility, Electricidade de Moçambique (EDM), requested support to determine how to best address the meter failures experienced during the roll out of large-scale meter replacement and network expansion programs. Power Africa responded and is supporting EDM through USAID's Sector Reform and Utility Commercialization (SRUC) program, which is augmenting EDM's commercial loss reduction efforts in the areas of commercial metering strategy and metering testing laboratory capacity.

Power Africa is collaborating with official development partner the UK's Department for International Development (DFID) to support the Energy Africa Compact in Mozambique, which seeks to accelerate the expansion of the household solar market in Africa, and help achieve universal energy access by 2030 instead of 2080 on current trends. Initial activities will focus on strengthening the policy environment and market conditions for the private sector to accelerate the development of household solar in Mozambique.

SUCCESSSTORY

In 2016, Power Africa provided technical assistance to EDM to improve its Getting Electricity score on the World Bank's annual Doing Business Index, and devised new connections procedures that were formalized in a decree in by mid-year. The new procedures, implemented in 2017, consolidated the number of institutions involved in the application process and allowed companies to get reimbursed for the cost of the transformers purchased on EDM's behalf. As a result, the time to get electricity fell from 91 days to 54, procedures from 7 to 5, and cost from 2,276% of per capita income to 800% for new commercial connections.

ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government Agencies, over 140 private companies, and 16 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the numbers of people with access to power. Power Africa's goal is to achieve 30,000 MW of new generated power and 60 million new connections by 2030 to reach 300 million Africans.

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